



County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

February 7, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name of the Chief Executive Officer.

DOCUMENTARY TRANSFER TAX

On October 30, 2007, on the motion of Supervisor Yaroslavsky, your Board instructed the Chief Executive Office (CEO) to convene a working group including Office of the Assessor, Registrar-Recorder/County Clerk (RR/CC), Auditor-Controller (A/C), Treasurer-Tax Collector (TTC) and County Counsel to further research Documentary Transfer Tax (DTT) enforcement and report back to the Board within 45 days.

On December 14, 2007, our office submitted a status report to your Board indicating that the CEO convened a working group with all involved departments to discuss the development process and the progression to an implementation timeline. The RR/CC is working with County Counsel in finalizing the self-reporting form to be sent to entities when controlling interest of property has been transferred. Upon final agreement on the form, contents and originating signatory for the notice, the RR/CC indicates they will be ready to send out initial notices by the end of February. After the program is initiated, the RR/CC will continue to develop an automated system that will automatically generate notices based on transfer data provided by the Assessor, which is expected to be by the end of June.

Over several meetings, the working group discussed DTT collection form design, retroactive processing, appeals process, audit process, and penalties. The working group also identified a need for possible ordinance and legislative changes.

For example, a mechanism for sharing of information between the State Board of Equalization and recorders could assist in discovery of undisclosed transactions. In addition, making the statute of limitations for DTT collection consistent with property tax collection could assist in lengthening the time in which enforcement action must be taken on the undisclosed transactions as well. Unless otherwise instructed, we will work with County Counsel and other affected departments to include an appropriate board policy in the County's 2009-10 State Legislative Agenda in an effort to pursue these necessary legislative changes to the document transfer tax program.

Please contact Ellen Sandt at (213) 974-1186 if you have any questions or need additional information, or your staff may contact James Yun at (213) 893-2072.

WTF:ES
GS:JY:ef

c: Assessor
 Auditor-Controller
 Executive Officer, Board of Supervisors
 County Counsel
 Registrar-Recorder/County Clerk
 Treasurer and Tax-Collector